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EXAMINER

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UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE PATENT TRIAL AND APPEAL BOARD

Ex parte MATTHEW BRAYTON ZUBILLER, JIM EVANS,
and ROSE MARIE HIGGINS¹

Appeal 2016-007087
Application 13/189,166
Technology Center 3600

Before ALLEN R. MacDONALD, BETH Z. SHAW, and
AMBER L. HAGY, Administrative Patent Judges.

MacDONALD, *Administrative Patent Judge*.

DECISION ON APPEAL

¹ Appellants identify McKesson Financial Holdings as the real party in interest.

STATEMENT OF THE CASE

Appellants appeal under 35 U.S.C. § 134(a) from a rejection of claims 4, 6–11, 13–18, and 20–29. Claims 1–3, 5, 12, and 19 have been canceled. App. Br. 10–15. We have jurisdiction under 35 U.S.C. § 6(b).

Appellants' Invention

The present invention generally relates to systems and methods for determining, or facilitating determination of, appropriateness of medical procedures and an appropriate lab/facility to provide medical services to patients. Spec. 1.

Representative Claim

Representative claim 11 under appeal reads as follows (emphasis and brackets added).

11. A method comprising:

[A.] receiving one or more proposed medical diagnosis of a patient;

[B.] applying one or more rules in order to automatically identify one or more potential medical services to be performed with respect to the patient, the identified one or more medical services being deemed relevant to the proposed medical diagnosis;

[C.] receiving selection of a potential medical service from the identified one or more potential medical services;

[D.] presenting an automated, real-time indication regarding plan coverage for the selected medical service based on at least one of the patient, a provider and the paying entity/plan rules of the patient[;]

[E.] reviewing data relating to one or more transactions including transactions related to the proposed medical diagnosis, the potential medical services or the plan coverage based on rules applied to the transactions;

[F.] tracking, with a computer processor, a trend or a variation in utilization, network selection, payment or adjudication and to compare the variation to a norm based upon the review of the data relating to one or more transactions;

[G.] utilizing a norm set by a user or the system or established with reference to another source of data including one or more of a health information system (HIS), an electronic medical record (EMR), a lab/facility information system (LIS), a case management system, a contracts system or a claims management system;

[H.] normalizing the variation that is identified from the review of the data relating to one or more transactions, wherein normalizing the variation comprises normalizing the variation per a respective geographical region, product or network in which the variation occurs; and

[I.] providing a suggestion or an option to address the variation that has been identified.

Rejection

The Examiner rejected claims 4, 6–11, 13–18, and 20–29 under 35 U.S.C. § 101 “because the claimed invention is directed to a judicial exception (i.e., a law of nature, a natural phenomenon, or an abstract idea) without significantly more” (Feb. 26, 2015 Non-Final Act. 3), i.e., for being patent-ineligible subject matter.²

² We select claim 11 as representative. Separate patentability, in compliance with 37 C.F.R. § 41.37(c)(iv), is not argued for claims 4, 6–10, 13–18, and 20–29. Except for our ultimate decision, this rejection of claims 4, 6–10, 13–18, and 20–29 is not discussed further herein.

Issue on Appeal

Did the Examiner err in rejecting claim 11 for being directed to patent-ineligible subject matter?

ANALYSIS

We have reviewed the Examiner’s rejections in light of Appellants’ arguments (Appeal Brief and Reply Brief) that the Examiner has erred. We disagree with Appellants’ conclusions and concur with the conclusions reached by the Examiner. Except as noted below, we adopt as our own the reasoning set forth by the Examiner in the Examiner’s Answer. We highlight the following points.

A. Section 101

Under 35 U.S.C. § 101, a patent may be obtained for “any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof.” The Supreme Court has “long held that this provision contains an important implicit exception: Laws of nature, natural phenomena, and abstract ideas are not patentable.” *Alice Corp. v. CLS Bank Int’l*, 134 S. Ct. 2347, 2354 (2014) (quoting *Ass’n for Molecular Pathology v. Myriad Genetics, Inc.*, 133 S. Ct. 2107, 2116 (2013)). The Supreme Court in *Alice* reiterated the two-step framework previously set forth in *Mayo Collaborative Services v. Prometheus Laboratories, Inc.*, 132 S. Ct. 1289, 1300 (2012), “for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of these concepts.” *Alice*, 134 S. Ct. at 2355. The first step in that analysis is to “determine whether the claims at issue are directed

to one of those patent-ineligible concepts,” such as an abstract idea. For example, a fundamental economic practice is an abstract idea.

[In *Bilski v. Kappos*], the Court grounded its conclusion that all of the claims at issue were abstract ideas in the understanding that risk hedging was a “ ‘fundamental economic practice.’ ” 561 U.S., at 611, 130 S.Ct. 3218.

Alice, 134 S.Ct. at 2357.

The Court acknowledged in *Mayo* that “all inventions at some level embody, use, reflect, rest upon, or apply laws of nature, natural phenomena, or abstract ideas.” *Mayo*, 132 S. Ct. at 1293. We, therefore, look to whether the claims focus on a specific means or method that improves the relevant technology or are instead directed to a result or effect that itself is the abstract idea and merely invoke generic processes and machinery. *See Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1336 (Fed. Cir. 2016). If the claims are not directed to an abstract idea, the inquiry ends. Otherwise, the inquiry proceeds to the second step where the elements of the claims are considered “individually and ‘as an ordered combination’ to determine whether the additional elements ‘transform the nature of the claim’ into a patent-eligible application.” *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S. Ct. at 1298, 1297).

B. *Alice/Mayo* - Step 1

The Examiner concludes claim 11 is

directed to a series of steps, elements or instructions related to determine health [sic] plan coverage for a patient and to track statistical variation in relevant data, which is an abstract idea.

Feb. 26, 2015 Non-Final Act. 3.

Appellants contend claim 11

define[s] a [] method [] in substantially greater detail including a number of different acts that work in combination so as to go well beyond the abstract idea as alleged by the Official Action and to, instead, define statutory subject matter.

App. Br. 6.

Applicant notes that [claim 11] include[s] a lengthy recitation of a particular technique for determining plan coverage for a selected medical service and for otherwise analyzing data relating to transactions involving the proposed medical diagnosis.

App. Br. 8.

[T]he particular technique that is the subject of [claim 11] determines the plan coverage and presents a real-time indication such that any modifications or corrections of the plan coverage can be performed in a timely manner and without undesired further expenditure of processing resources in conjunction with the processing associated with plan coverage that is subsequently determined to be incorrect or insufficient.

App. Br. 8.

The Examiner responds:

[Claim 11] merely encompasses the abstract ideas of generating rule-based tasks for processing an insurance claim (determining plan coverage and related statistical information); comparing new (received diagnosis) and stored information (rules, plan rules, transaction data) and using rules to identify options (rules used to identify potential medical services based on diagnosis, to present coverage determination based on potential medical service, rules to track a trend or variation, normalize the variation and provide information on variation) (*Smartgene* [555 Fed. Appx. 950 (Fed. Cir. 2014)]); and/or using categories to organize, store and transmit information (data is labeled in particular categories to such as rules, medical diagnosis, etc. in order to assemble, process and communicate information to the user).

Ans. 6–7.

We are unpersuaded by Appellants' arguments. Contrary to Appellants' assertion, we conclude the character of claim 11 as a whole is directed to a fundamental economic practice in the form of a method for determining, or facilitating determination of, appropriateness of medical procedures and an appropriate lab/facility to provide medical services to patients.

Further, Appellants' Specification is replete with discussion of the claimed fundamental economic practices in the form of "eligibility, payment, contract, and benefits rules." Spec. 2:15–19. "[T]he system may be tuned by the user to produce optimized results or outcomes based on quality, cost, outcomes, use and benefit." Spec. 14:22–24.

[T]he rules developed and applied in the system may be interconnected and tie the areas/departments that manage a benefit together from utilization management to network management to risk, payment, and claims management. Exemplary embodiments of the present invention may therefore create a closed logic loop. In this regard, the rules may be represented as knowledge packs for clinical policy, medical policy, network policy, contract policy, and payment policy. Spec. 14:25–30.

C. Alice/Mayo - Step 2

Turning to the second part of the *Alice/Mayo* analysis, the Examiner concludes claim 11 does

not include additional elements that are sufficient to amount to significantly more than the judicial exception because the additional element(s) or combination of elements in the claim(s) other than the abstract idea per se amount(s) to no more than: (i) mere instructions to implement the idea on a computer and/or (ii) recitation of generic computer structure that serves to perform generic computer functions that are well-understood,

routine, and conventional activities previously known to the pertinent industry.

Feb. 26, 2015, Non-Final Act. 3–4.

Appellants contend claim 11 recites significantly more because:

[T]he independent claims address particular technological problems arising out of the determination of plan coverage, such that the claims encompass subject matter that has been identified as “significantly more” by the Federal Circuit (see, e.g., *DDR Holdings v. Hotels.com*).

App. Br. 8.

Additionally, the instant invention addresses problems attributable to variations in utilization, network selection, payment or adjudication such that the manner in which the transactions related to a medical diagnosis are handled can be performed consistently, if so desired, without undesired further expenditure of processing resources in conjunction with the processing of transactions that are subsequently determined to be incorrect due to the underlying variations. Thus, similar to *DDR*, the claims are directed to overcoming a problem specifically arising in the realm of computer technology, namely, issues relating to the timely determination of plan coverage and the tracking of variations and the provision of suggestions or options for addressing the identified variations.

App. Br. 8.

[T]he [] method [] of [claim 11 is] “necessarily rooted in computer technology” to overcome a problem specifically arising in computer systems that determine plan coverage and analyze data regarding transactions related to proposed medical diagnosis.

App. Br. 9.

We do not agree. Simply programming a computer to perform what would otherwise be an abstract idea is not sufficient to impart patent eligibility. *See Alice*, 134 S. Ct. at 2359. As to claim 11’s “computer

processor” and “network,” Federal Circuit precedent states that “generic computer components such as an ‘interface,’ ‘network,’ and ‘database’ do not satisfy the inventive concept requirement.” *Mortg. Grader, Inc. v. First Choice Loan Servs. Inc.*, 811 F.3d 1314, 1324–25 (Fed. Cir. 2016). In light of Appellants’ Specification, we conclude the claimed computer components are generic. As to the claimed “computer processor,” Appellants’ Specification states the invention can “be embodied in one or more processing elements, such as one or more of a laptop computer, desktop computer, server computer or the like” and, as to the claimed “network,” it states:

The networked services can comprise any of a number of different combinations of one or more different types of networks, including social, data and/or voice networks. For example, the network(s) can include one or more data networks, such as a local area network (LAN), a metropolitan area network (MAN), and/or a wide area network (WAN) (e.g., Internet), and include one or more voice networks, such as a public-switched telephone network (PSTN).

Spec. 5.

Further, Appellants’ argument overlooks that, to impart eligibility under § 101, the claimed “solution” must be a technical solution. *Bascom Global Internet Servs., Inc. v. AT&T Mobility LLC*, 827 F.3d 1341, 1351 (Fed. Cir. 2016). Appellants’ argument does not explain how either the problem or claimed solution here are technical. Unlike the claims at issue in cases such as *DDR Holdings LLC v. Hotelscom LP*, 773 F.3d 1245, 1257 (Fed. Cir. 2014) (claims at issue are “necessarily rooted in computer technology in order to overcome a problem specifically arising in the realm of computer networks”), and *Enfish, LLC v. Microsoft Corp.*, 822 F.3d 1327, 1339 (Fed. Cir. 2016) (claims at issue are “directed to a specific

implementation of a solution to a problem in the software arts”), Appellants merely address a business issue through the use of generic, computer-related recitations that do not add meaningful limitations to steps otherwise directed to an abstract idea.

Appellants also overlook that our reviewing court has cautioned against Appellants’ position in the *DDR Holdings* decision.

We caution, however, that not all claims purporting to address Internet-centric challenges are eligible for patent. For example, in our recently-decided *Ultramercial* opinion, the patentee argued that its claims were “directed to a specific method of advertising and content distribution that was previously unknown and never employed on the Internet before.” 772 F.3d at 714. But this alone could not render its claims patent-eligible. In particular, we found the claims to merely recite the abstract idea of “offering media content in exchange for viewing an advertisement,” along with “routine additional steps such as updating an activity log, requiring a request from the consumer to view the ad, restrictions on public access, and use of the Internet.” *Id.* at 715–716.

DDR Holdings, 773 F.3d at 1258. The *DDR Holdings* decision required more from a “solution” before finding a claim to be rooted in computer technology.

The ’399 patent’s claims are different enough in substance from those in *Ultramercial* because they do not broadly and generically claim “use of the Internet” to perform an abstract business practice (with insignificant added activity). Unlike the claims in *Ultramercial*, the claims at issue here specify ***how interactions*** with the Internet ***are manipulated*** to yield a desired result—a result that ***overrides the routine and conventional sequence of events*** ordinarily triggered by the click of a hyperlink. Instead of the computer network operating in its normal, expected manner by sending the website visitor to the third-party website that appears to be connected with the clicked advertisement, the claimed system generates and directs the

visitor to the above-described hybrid web page that presents product information from the third-party and visual “look and feel” elements from the host website. When the limitations of the ’399 patent’s asserted claims are taken together as an ordered combination, the claims recite ***an invention that is not merely the routine or conventional use of the Internet.***

773 F.3d at 1258–59 (emphasis added). In other words, the claimed invention in *DDR Holdings* did not merely use the Internet, but rather changed how interactions on the Internet operated.

D. Other 101 Arguments

1

Appellants contend, as to claim 11, “the claims do not ***preempt*** every application of an idea.” App. Br. 8 (emphasis added). Appellants’ pre-emption argument overlooks that the Court’s *Alice* two-step (abstract idea/significantly more) analysis is the Court’s framework for determining pre-emption.

[W]e set forth a frame-work for distinguishing patents that claim laws of nature, natural phenomena, and abstract ideas from those that claim patent-eligible applications of those concepts.

Alice, 134 S. Ct. at 2355. Contrary to Appellants’ argument, the Examiner applied this *Alice* framework in the February 26, 2015, Non-Final Action.

2

Appellants also contend as to claim 11:

[T]he ***failure of the Official Action to raise any prior art rejection*** is evidence that the claims include “a specific limitation other than what is well-understood, routine and conventional in the field” and include “unconventional steps that confine the claim to a particular useful application”.

App. Br. 9 (emphasis added).

We are not persuaded by Appellants’ argument. Although the second step in the *Alice/Mayo* analysis includes a search for an inventive concept, the analysis is not an evaluation of novelty or nonobviousness, but rather, a search for “an element or combination of elements that is ‘sufficient to ensure that the patent in practice amounts to significantly more than a patent upon the [ineligible concept] itself.’” *Alice*, 134 S. Ct. at 2355 (quoting *Mayo*, 132 S. Ct. at 1294). A novel and nonobvious claim directed to a purely abstract idea is, nonetheless, patent-ineligible. *See Mayo*, 132 S. Ct. at 1303–1304 (rejecting the suggestion that Sections 102, 103, and 112 might perform the appropriate screening function and noting that in *Mayo* such an approach “would make the ‘law of nature’ exception . . . a dead letter”). Further, “under the *Mayo/Alice* framework, a claim directed to a newly discovered law of nature (or natural phenomenon or abstract idea) cannot rely on the novelty of that discovery for the inventive concept necessary for patent eligibility.” *Genetic Techs. Ltd. v. Merial L.L.C.*, 818 F.3d 1369, 1376 (Fed. Cir. 2016).

3

Appellants also contend as to claim 11

as recently highlighted by the Federal Circuit in *Bascom Global Internet Services, Inc. v. ATT Mobility LLC*, [827 F.3d 1341] (June 27, 2016), the claim elements must not only be considered individually as set forth in "B)" on page 8 of the Examiner's Answer, but also ***in combination*** as even conventional elements may be combined in unique and patentable manners.

Reply Br. 3 (emphasis added).

We are not persuaded by Appellants’ argument. Although Appellants allege the combination of claim elements is “unique and patentable” (i.e.,

more than a claim to the abstract idea itself), Appellants fail to provide any reasoning or support for this conclusory assertion.

The “inventive concept” may arise in one or more of the individual claim limitations or in the ordered combination of the limitations. *Alice*, 134 S. Ct. at 2357. However, we concur with the Examiner’s conclusion. Here, unlike the claims at issue in *Bascom*, claim 11 does not introduce a technological advance or improvement. It contains nothing that “amounts to significantly more than a patent upon the [abstract idea] itself.” *Id.* See *Synopsys, Inc. v. Mentor Graphics Corporation*, 839 F.3d 1138, 1152 (2016).

CONCLUSION

(1) The Examiner has not erred in rejecting claims 4, 6–11, 13–18, and 20–29 under 35 U.S.C. § 101, as being directed to patent-ineligible subject matter.

(2) Claims 4, 6–11, 13–18, and 20–29 are not patentable.

DECISION

The Examiner’s rejection of claims 4, 6–11, 13–18, and 20–29 is **affirmed**.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

AFFIRMED